

A large, dark brown cigar lies diagonally across the center of the image. To its right, several white cigarettes with red tips are scattered. The background is a dark, textured surface. On the left side, there is a dark blue vertical bar containing white text.

ECMA

CIGAR TOBACCO LEAF

*A CRITICAL AGRICULTURAL RAW
MATERIAL FOR EU MANUFACTURING OF
CIGAR AND CIGARILLO PRODUCTS*

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- ECMA represents the major cigar and cigarillo manufacturers in Europe, accounting for over 70% of traditional cigars and cigarillos placed on the European Union market.
- ECMA is a not-for-profit organisation established in Brussels in 1992 to represent the cigar sector towards EU and European regulators and politicians -> particularly important taking into account the 'Brussels effect'.
- 21 members
 - 17 family-owned companies, (130 years old average)
 - 7 SMEs

SCANDINAVIAN TOBACCO GROUP

- 1 publicly listed companies
- 11 Family-owned medium sized companies



- 2 Privately owned medium sized companies
- 7 Small and Medium Sized companies



ECMA AND ITS MEMBERS

24 plants located across the EU - more than 5,000 manufacturing jobs

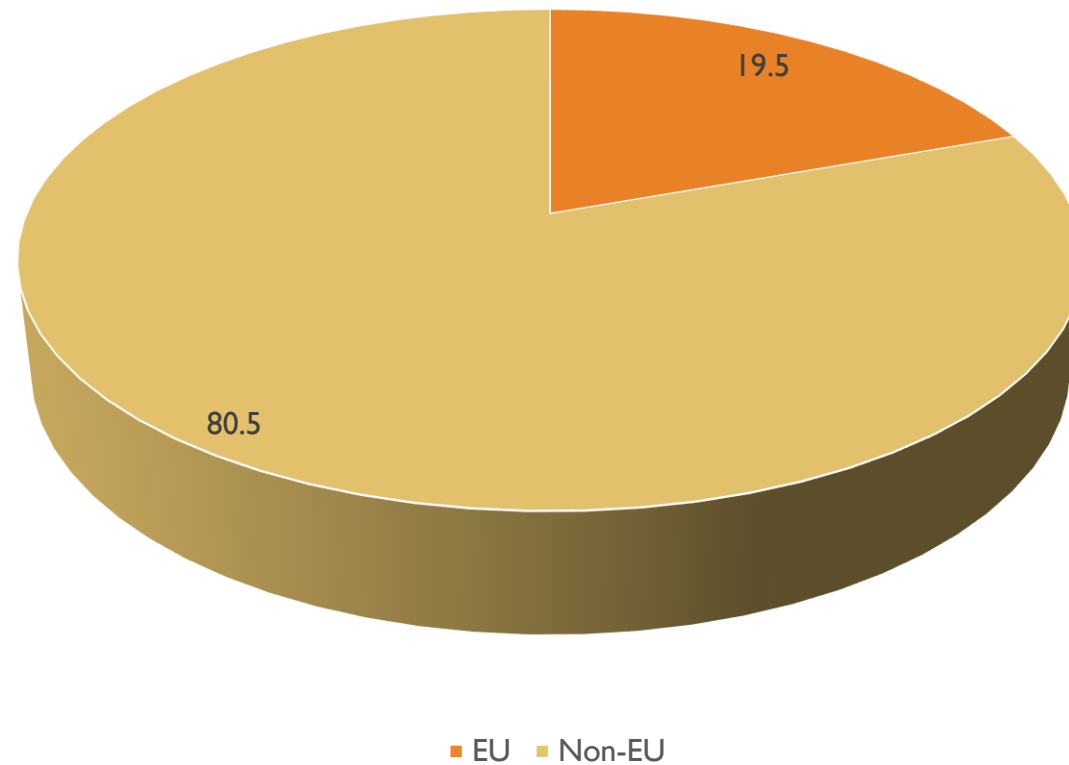
	2018	2019	2020	2021	2022
Exports	1458,96	1366,33	1465,63	1413,97	1372,79
Total exports (value - in million of €)	118,9	120,11	127,03	134	181,39

SOURCE: Source: EUROSTAT, DS-045409 - EU trade since 1988 by HS2-4-6 and CN8 - HS: 24.02.10, expressed in tons.

26 plants outside the EU supporting - more than 30,000 manufacturing jobs

Supporting close to 500,000 jobs

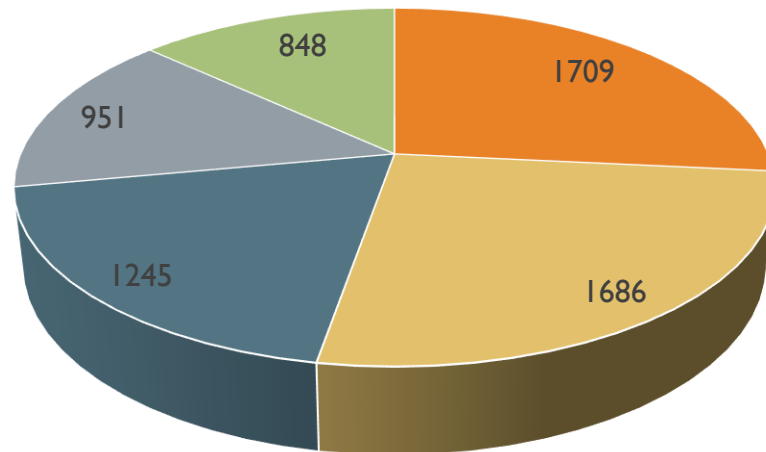
ORIGIN OF TOBACCO MEANT FOR CIGAR MANUFACTURING IN THE EU



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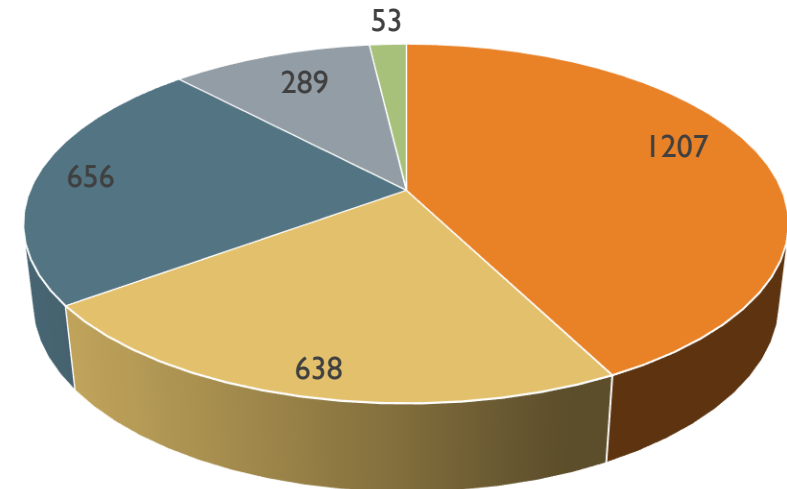
- High dependency on a limited number of countries
 - Wrapper: specific growing conditions for specific properties and length ('perfect leaves')
 - The filler is usually fermented dark air-cured tobacco
 - +30 countries where tobacco is sourced

Filler tobacco



■ Indonesia ■ Dominican Republic ■ Brazil ■ USA ■ Nicaragua

Wrapper tobacco



■ Indonesia ■ Ecuador ■ USA ■ Brazil ■ Cameroon

European manufacturers attribute a capital importance to having
appropriate rule of origin and import legislation

EU CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE

- **EU CSDDD** establishes a corporate responsibility and due diligence duty across business operations and the supply chain, for human rights abuses and environmental harm
 - Integrate due diligence into companies' policies
 - Identify potential adverse impacts on human rights and environmental impacts
 - Prevent and mitigate potential adverse impacts
 - End and minimise actual adverse impacts
 - Establish and maintain a complaints procedure
 - Monitor the effectiveness of due diligence policy and measures (annual review)
 - Publicly communicate on due diligence



Entry into force: 2026

WHAT IS THE EUROPEAN GREEN DEAL?

The European Green Deal is about improving the well-being of people. Making Europe climate-neutral and protecting our natural habitat will be good for people, planet and economy.

“The European Green Deal is our new growth strategy. It will help us cut emissions while creating jobs.”

Ursula von der Leyen, President of the European Commission



“We propose a green and inclusive transition to help improve people’s well-being and secure a healthy planet for generations to come.”

Frans Timmermans, Executive Vice-President of the European Commission

WHAT IS THE MOST RELEVANT?



GREEN DIPLOMACY

Objective:

- EU to support the **global transition to sustainable agri-food systems**;

Key initiatives:

- Legislative proposal and other measures to avoid or minimise the placing of products associated with **deforestation** or forest degradation on the EU market.
- Legislative framework on **sustainable food systems**, promoting the global transition to sustainable food systems in international standard setting bodies,
- Food information to consumers
- Taking into account **environmental aspects** when assessing requests for import tolerances for pesticide substances no longer approved in the EU



EU DEFORESTATION

- EU Deforestation Regulation** aims to reduce the EU's contribution to global deforestation by banning the sale of specific products associated with deforestation globally (beef, cocoa, coffee, palm oil, rubber, soya and wood). **Tobacco not in the scope... yet**
- The products and ecosystems covered by the regulation will be **reviewed within 2 years**, most likely leading to an expansion in the commodities and/or ecosystems captured under the regulation.

What is the level of concern regarding each of the following environmental consequences from tobacco and related products?

	Not concerned	Somehow concerned	Concerned	Very concerned	Don't know/ Can't answer
* Environmental implications of tobacco cultivation (e.g., deforestation, water, soil depletion, etc.)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Occupational hazards arising from the production of tobacco products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Air pollution	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Single plastic waste resulting from the disposal of tobacco products	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* Environmental hazards arising from the disposal of electronic devices	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other, please specify below	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

EU DEFORESTATION

- As a condition of placing in-scope products on the EU market, operators must provide due diligence statements to demonstrate their commodities are deforestation-free and have been produced in accordance with the relevant laws of the country of origin.
 - From December 2024, EU and non-EU producers must provide geolocation coordinates for the places of production for all products in scope of the regulation to demonstrate that they were not produced on land deforested since 31 December 2020.
 - EU operators analysing the geolocation data provided by producers against reference satellite maps and, for standard or high risk countries, conducting **risk assessments and documenting any risk mitigation steps** where risks are identified.
 - The Commission is developing a benchmarking system to classify countries as either low, standard or high risk of deforestation (early 2024).



SUSTAINABLE USE OF PESTICIDE PRODUCTS

- 🌱 **Objective:** Significantly reduce risk and dependency on use of pesticides
- 🌱 Published on 22 June 2022
- 🌱 Fateful institutional reception
- 🌱 Key issues
 - 🌱 Legally binding targets
 - 🌱 Prohibition of using products (including used in organic production) on all sensitive areas
 - 🌱 Availability of Alternatives



Brussels, 22.6.2022
COM(2022) 305 final
2022/0196 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on the sustainable use of plant protection products and amending Regulation (EU)
2011/2115**

(Text with EEA relevance)

{SEC(2022) 257 final} - {SWD(2022) 169 final} - {SWD(2022) 170 final} -
{SWD(2022) 171 final}

MAXIMUM RESIDUE LEVELS / IMPORT TOLERANCES

- The Commission intends to take into account **environmental aspects** when assessing requests for import tolerances for pesticide substances no longer approved in the EU while respecting WTO standards and obligations
- **First step:** Lowering MRLs for clothianidin and thiamethoxam
 - Application date 2025
- **Second step:** Lowering MRLs for Quinoxymen, Lufenuron and Imidacloprid
 - Proposal put on hold
- **Potential impact**
 - Impact on imported productions from third countries
 - Less predictability in EU regulatory system

MRLs

- MRLs not applicable to non-food stuff products (including tobacco) but...
- The scope of the Regulation concerns...

Article 2

Scope

This Regulation shall apply to products, in the form in which they are supplied to the user, consisting of or containing active substances, safeners or synergists, and intended for one of the following uses:

- protecting plants or plant products against all harmful organisms or preventing the action of such organisms, unless the main purpose of these products is considered to be for reasons of hygiene rather than for the protection of plants or plant products;
- influencing the life processes of plants, such as substances influencing their growth, other than as a nutrient or a plant biostimulant;
- preserving plant products, in so far as such substances or products are not subject to special Union provisions on preservatives;
- destroying undesired plants or parts of plants, except algae unless the products are applied on soil or water to protect plants;
- checking or preventing undesired growth of plants, except algae unless the products are applied on soil or water to protect plants.

These products are referred to as 'plant protection products'.

Article 3c

Reciprocity clauses for import

1. Maximum Residue Level for substances not authorized under Regulation 1107/2009 shall be set at the minimum detectable level allowed pursuant to Regulation 396/2005.

2. The Commission shall take action, based on relevant and objective data, in accordance with this Article, to address practices of circumvention of this Article. Practices of circumvention include situations where the level of residues is artificially lowered from a product, in order to access the EU market.

3. A Member State or any party affected by the situations described in paragraph 2 may notify the Commission. Where the Commission, taking into account the relevant data and reports, including when provided by the customs authorities of Member States, has sufficient reasons to believe that circumventions are occurring in one or more Member States, it is empowered to adopt delegated acts in accordance with Article 40 to supplement this Regulation in order to include modified tariffs for the concerned

CROP PROTECTION USE - REPORTED BY ECMA MEMBERS SUPPLIERS

- Abamectin 6/8
- Beta-cyfluthrin 6/8
- Cyfluthrin 5/8
- Oxamyl 5/8
- Methomyl 4/8
- Carbofuran 3/8
- Methiocarb 3/8
- Ethoprophos 2/8

⇒ AFFECTED

⇒ AFFECTED



Mirror clauses

Article 3a

Requirements applicable to imported products

When concluding a trade agreement with a third country, insofar as it concerns agricultural and agri-food products, the EU shall ensure that the requirements applicable in that country for the use, storage, sale and disposal of plant protection products guarantee a level of protection of human health, animal health and the environment that is equivalent to that established by this Regulation.

Article 3b

Trade agreements

The Commission shall include in the

trade agreements it negotiates binding commitment targets for the use of plant protection products, in particular for the most hazardous plant protection products. These targets shall be equivalent to those laid down in Article 4 of this Regulation. They may take into account, on a case-by-case basis, the specific agronomic, climate and economic conditions of the trade partners.

CONCLUSION

Cigar tobacco leaf: a critical agricultural raw material for EU manufacturing of cigar and cigarillo products

- **Economic importance** - importance of imported cigar tobacco leaves for the EU manufacturing of cigars in terms of end-use applications and the value added of corresponding EU manufacturing sectors (high concentration of factories)
- **Supply risk** - reflects the risk of a disruption in the EU supply of the material based on the concentration of primary supply from raw materials producing countries, considering their governance performance and trade aspects (low substitution)

Special emphasis should be placed on how information from the sustainable and responsible cigar tobacco supply chain can be used to allow for a smooth international flow of cigar tobacco leaves.



THANK YOU

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